

**COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE  
ADMINISTRATION**

**February 18, 2003**

**4:30 PM**

Chairman Shea called the meeting to order.

The Clerk called the roll.

Present: Aldermen Shea, Smith, Thibault, Lopez

Absent: Alderman Guinta

Mssrs: Randy Sherman, Kevin Clougherty, Sharon Wickens, Tom Arnold,  
Kevin Buckley

Chairman Shea addressed Item 3 on the agenda:

Communication from Guy Beloin, Financial Analyst II, submitting  
the City's Monthly Financial Statements for the six months ended  
January 31, 2003.

On motion of Alderman Lopez, duly seconded by Alderman Smith, the item was moved for discussion.

Alderman Lopez stated I just have one question. On civic contribution, we gave \$104,000 away. I don't recall that. Can you refresh my memory?

Mr. Sherman stated the civic contribution is actually made up of maybe eight to ten different line items, so what you're going to have in there is like the money we give to the animal shelter. So that's \$40,000. I mean I could go back to the budget, and get you a breakdown of those specific items, but that one is made up of a number items.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to accept the City's monthly financial statements for the six months ended January 31, 2003.

Mr. Sherman stated I just want to touch base real quick on the revenue situation. The revenues are not keeping track with the budget this year. As each month comes, we're falling a little bit further behind. As you've seen in the past, we have done revenue projections, which we are currently working on. Unfortunately, they are not ready for today, but the main area that we see the problem coming in again is the auto registrations. That is almost a third of your non-property tax revenues, and when that one starts to fall off, that's a major hit to your bottom line. Again, as we had talked earlier, I think a couple meetings back, the cable revenues are going to be off. We're getting a little bit of offset coming from the building permits, but I just wanted to inform the Board that we are starting to see more slippage than we had in the prior months.

Mr. Clougherty stated it's considerable. It's a concern. You're not growing as fast as you budgeted in your auto registration, and as we move forward, that's going to be an item. We'll do the projections that we ordinarily do and provide them to the Board, but be aware this may be an ugly number.

Chairman Shea stated may I ask when you will present this to the Board members.

Mr. Sherman responded I would think that'd we have it ready in another week or so. Actually with school vacation, make that two weeks.

Mr. Clougherty stated plus you want to be able to catch a cycle here too, so two weeks.

Chairman Shea stated so just to inform the members of the Board of Mayor and Aldermen, you probably would submit it the first meeting in March.

Mr. Sherman stated yeah, we'd probably bring it in in March.

Alderman Thibault asked do you know why this is happening. Like, people had cars last year. Is it because we're having people moving out of here or what?

Mr. Sherman stated what it is is you pay a different rate based on the age of your car, so last year when you had a mad dash zero percent financing, everybody went out and bought new cars, you got a big bump. Now, everybody's keeping those cars, have gone from 18 cents per thousand down to 15 cents per thousand, and you don't see that big bump this year. I mean, I saw a report over the weekend that the average age of a car on the road is eight years old, and that's like the highest it's been in decades, so people are holding onto their cars a little longer, and those that did go out and buy last year obviously aren't again this year buying, so the rates have all dropped off.

Mr. Clougherty stated your interest rates are gone, Alderman. They're staying flat. The Fed hasn't raised anything, so you have less money. That's having an impact on things. Everybody thought that they might bump them up a little bit. It's not coming. They're staying flat.

Alderman Thibault stated so it's only because of the decrease in value of the cars. It's not so much that people are moving out or anything.

Mr. Sherman responded no, it's not fewer vehicles.

Mr. Clougherty stated the actual registrations' dollars is growing. It's just not growing as fast as you budgeted for, and it's not growing as fast because of some of the things Randy talked about, and people are worried about the war. They're worried about the economy. Their 401Ks have gone down. They're just not buying new cars. Last year we saw the big bump as Randy said because of zero financing. How many cars can people buy at zero financing? You know, it runs its course. So you're starting to see some negative numbers there. We saw them last time as Randy mentioned. We talked to you about that. We'll be back in two weeks, and we'll let you know at that time where you are because that'll leave you about four months left in the fiscal year.

Alderman Lopez stated this is in January. So we still have that mad rush according to Joan Porter that comes in after February, the new car sales and all that stuff. I mean that's a possibility.

Mr. Sherman stated yeah, you do, and you start to see the camping show. You start to see some of those things.

Alderman Lopez stated my question was...I had it underlined here, but I didn't think it was that...you know the percentage, where we are percentage-wise? Am I missing that some place? I know unrecognized is 45, but is that in comparison to last year?

Mr. Sherman responded if you flip to the next page, we had actually, again it's the same place on the report, we had actually expected fourth column over to be 5.21 percent increase. That's what was budgeted and if you go to the last column, we're at 1.57, so when you're down you know three and a half, four percent on your largest revenue source, I mean that's a...

Alderman Lopez asked did we increase the projection last year on auto. I think she came in with something. We increased it, right?

Mr. Sherman stated did the Aldermen increase it? I don't know. I'd have to go back.

Alderman Lopez stated it doesn't make any difference. We're not going to make it, but I think we increased it.

Alderman Thibault stated I think Mike is right.

Mr. Clougherty stated we'll go back, and we'll do the analysis, Alderman. The thing about auto registrations is it follows a pretty good curve, and once you start falling behind that curve, it's hard to make it up. Now, is it the fact that the weather, the people aren't out because of the snowstorms, because of the cold weather, that that had an impact on their buying habits and maybe they make it up in the spring, let's hope so.

Alderman Lopez stated the complete revenue budget, how does that set with your picture, even though auto registration might be down?

Mr. Clougherty stated same page, bottom line, 6.74 percent if you look at column four.

Mr. Sherman added this is page six.

Mr. Clougherty stated if you look at that column, you budgeted 6.74 more or expected 6.74 percent more and you've only got 2.3 percent more, so you're off again about four percent on that.

Alderman Lopez stated so if we don't make the revenue, then that rainy day fund looks good.

Mr. Clougherty stated what you've got to do is take a look at your expenses too and see how that works out and then see how you work down.

Alderman Thibault stated but there's not much we can do about that.

Alderman Smith stated so we're down roughly \$128,000 or one and a half percent, that's what you're saying, for the last seven months between 02 and 03, am I correct?

Mr. Clougherty responded \$128,000, no. You're down more than that.

Alderman Smith stated I'm talking about 02 to 03 for the seven months.

Mr. Sherman stated for seven months, you're actually up \$455,000.

Mr. Clougherty stated but you thought you were going to be up closer to \$2 million, so you're off about \$1.5 million, maybe \$1.9 million.

Alderman Smith stated you're going to make us aware of any other changes in the revenue, not only in regards to auto registration, so we have some handle on what we projected.

Mr. Clougherty stated you've been seeing this right along. We've been talking about it, but now it's at a point where we really feel we have to do some projections forward, so we're in the process now of going back to the departments and getting them to verify their numbers, see if there's timing issues in this report where something didn't get billed for one reason or another, and that's what we'll take the two weeks to do, work with the departments, make sure that their numbers are right, and we'll forecast forward if this trend continues or where we see you at the end of the year, and what that difference would be. That's when you'll have to make some decisions.

Alderman Smith asked do you have any other concerns because when we get this list, we get it on Friday, and it's quite nomenclature. There's all kinds of expenses and so forth. Do you have any other concerns or anticipating anything right now Kevin that we're not aware of or that we should make ourselves...?

Mr. Clougherty responded the other thing that you're always concerned with is, even though we concentrate a lot on this report because it's your non-property tax revenues, your big revenue is your property tax collections, and if people aren't buying cars, how is that going to affect your collections? That's always a concern. So we'll be taking a look at some of those projections as well and going back and looking to see if there's any correlation between the two in prior recessions. But that would be a concern as well.

Alderman Smith stated I really think weather has been a big factor because yesterday was President's Day, and I'm sure they didn't sell many cars all around the City.

Mr. Clougherty stated that's what we're hoping. We hope that's part of it. I'm not sure it's all of it. I hope it's a big part of it. We just have to go back and confirm and measure and report to you where you are, and then we'll see on the expense side, Randy hasn't gotten to that piece in the report yet, but it seems straightforward. The departments seem to be all right. Frank is still within his budget even though he's had a tough time of it which is much better than any of the other cities or towns around us, so we'll see what we can generate there. Maybe we can tighten our belts a little bit to offset against the revenues toward the end of the year and see where we end up.

Alderman Smith asked do you know what the percentage of Frank's budget has been spent right now, Kevin?

Mr. Clougherty responded this report is for the end of January.

Mr. Sherman stated he's spent about 57 percent.

Mr. Clougherty stated he's got about 43 percent left. Page one has it, and if you look on the left, it lists all the departments. Go down to highway, just fold up your page, and just follow it right across. About 42-43 percent of his budget left to carry through the end of the year, and that's consistent with the other departments, so it's not as bad as it could have been in some other places, but that's another issue we may have to address too. It's going to be a hard year as we said. These two years are going to be difficult budgets to get through.

Chairman Shea stated on a different subject, the civic center parking issue. Something was in the paper concerning the fact that the resources that they're giving back to us aren't equal to the amount that we really have to give to them so there was a discussion about keeping it right there. Has that been resolved?

Mr. Sherman stated trust me, Alderman, that was a very misquoted article.

Chairman Shea stated that was a misquote in the article.

Mr. Clougherty responded what it was is the reporter was trying to make the case that perhaps because we give money to the civic center and about the same amount of money came back this year, why even go through that exercise, and the point we made to him was that's one year. It may not always be that, so you have to develop a pattern and look at that, but that's not what came out in the article. What came out in the article was the pattern...

Chairman Shea stated my follow-up is the monies we were going to get from that are going into the trust fund as well as the other.

Mr. Sherman responded that's right.

Alderman Thibault stated while you're talking about the civic center, I've got a little interest there. I was out for vacation for a couple of weeks, and I guess that that went into the civic center committee. How did that end up or is that resolved now as to what they're going to do about it?

Mr. Clougherty stated I think the consensus at the end was that they weren't going to pursue the surcharge because they didn't feel it was appropriate.

Alderman Lopez stated legally, we can't do it.

Alderman Thibault stated that bothers me because of this. I swear to God that SMG owns that arena and not us, and that bothers me. They were not even there at the time that this was passed on this Board, and that's why it bothers me, okay, but I'll get to it later. Let it go for now.

Mr. Clougherty stated we'll keep you posted because we're concerned about these numbers obviously, and we want you to know what's happening here, but it's getting crunch time. We hope it turns our way, but if it doesn't, we'll have some hard decisions to make.

Chairman Shea address item 4 on the agenda:

Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:

- a) department legend;
- b) open invoice report over 90 days by funds;
- c) open invoice report all invoices for interdepartmental billings only;
- d) open invoice report all invoices due from the School Dept. only); and
- e) listing of invoices submitted to City Solicitor for legal determination.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to move the item for discussion.

Ms. Wickens stated these are the same reports I give to you every meeting. I don't know if there's anything specific that you wanted to address.

Alderman Lopez stated just a couple items. Page 12. These are City employees from the highway, right?

Ms. Wickens responded yes, the three of them, Chris Chakas, Mike Healy, and John...

Alderman Lopez stated maybe I can ask why does it take so long when people owe us money, and they receive compensation. Are these employees called in or what's the process there? I mean, they receive a third party claim, and they get compensation and everything else, and they owe us money.

Ms. Wickens stated right, and I believe that HR tries to collect the money. The highway personnel tries to collect the money. We did send them to the collection agency, and if you look on the submissions to the Solicitor's office, you'll see the three names there as well. I have submitted to Solicitor. Last I talked with a Dan Mueller, and he seems to think the statute of limitations may have expired on them. I don't know.

Alderman Lopez stated that's the problem. The point that I wanted to make here is...is there any procedure that when a person receives workman's comp, and he gets a settled claim by a third party, that that third party gives us the money that they owe us, or does it all go to the individual, and then we have to fight to get it from him?

Ms. Wickens responded we have to fight to get it from the individual, and we can't attach his pay.

Alderman Lopez stated it's not a question of attaching his pay. Tom, what I'm saying is if we know I got a workman's comp claim, and a third party claim, and I get a settlement with a third party claim, why isn't it that that third party says okay, you owe Manchester x number of dollars, so the third party sends you that money? This happens in government, okay, specifically the Post Office for an example. So why can't that procedure sort of be notified? If you know a person got a third party claim, why can't you work it out with the lawyers there before they give that individual the money he owes us the money, and he gets it directly from the third party? We get it directly from the third party, so we won't have to go around and chase this guy.



Deputy Solicitor Arnold stated I guess that if we knew in time, we might be able to attempt to do that, but the basic problem is pursuant to statute, I don't think we have a lien for that excess payment that results, and therefore, we could not force anybody to pay the money over.

Alderman Lopez stated I think we do know in time because in most cases, most workman's comp cases HR would know whether or not the person is proceeding for a third party claim because that individual is going to say, "Go see my lawyer if you got any problems." That's what I'm talking about. That's where the attachment should be, and I was wondering if you could look into that because the Post Office does that.

Deputy Solicitor Arnold responded we can certainly attempt to do that. As I say, when we know in time, I think probably with a majority of these cases, we may not know when that third party claim actually settles. We may know that, I've heard from the rumor mill so to speak, that one's being pursued.

Alderman Lopez stated I agree with you. You won't know when that third party claim is settled, but one thing you do know up front is that the person has put in for a third party claim. Therefore, working out the legal aspects with the lawyer that represents him for the third party claim, when that lawyer gets that money, he pays all the people and takes his cut and gives an itemized listing of where the expenses went, and one of those expenses should be the City of Manchester.

Deputy Solicitor Arnold stated again, I sympathize with what you're saying, but in terms of a private attorney making a payment to the City of Manchester since we have no lien for that payment, he needs his client's permission to do that. He can't just pay you of his own volition.

Alderman Lopez stated I don't want to debate this all the time, but I'm just saying under the compensation laws, there are provisions that whereby if you owe money to the first party, in this case the City of Manchester, there are provisions under the compensation laws, I mean between the federal and the City and State, there's not that much difference, but maybe if you can look into it, but I think that's where we're missing the boat.

Alderman Smith stated as you well know that I've been on this for quite a while, and I did present to you, Solicitor, and I won't name the individual, but the fellow is on pension, and he owes us money, and I really can't see something like this. I took the opportunity to go down and find out how things work, and I guess HR has got a little bit of a handle on now. They have an agreement now where a lot of these people coming in, they sign an affidavit saying any overpayment and so forth will be paid, and I notice that a couple of these all came from the same department, and I happen to know two or three of them.

Mr. Clougherty interjected they're all several years old.

Alderman Smith stated I can't see how somebody can be on pension, getting a pension from us and yet he owes us money, and I did address it to the Solicitor. And have you done anything yet?

Deputy Solicitor Arnold stated I spoke to the attorney involved, but again, you can't simply withhold money from a pension without either some type of court process or the pensioner's permission to do so.

Alderman Smith stated while I'm on the subject, because Sharon and I have met on numerous occasions, I would like to get a definite answer from you whether we can publish these names now in the paper. I've been after this for several months now, and I have to commend the Police Department. We had about 41 names for uniform cleaning, and now it's down to less than ten. So if we keep after it, we can get this money. This is money owed to us, and Kevin just gave a report now that we're short in revenues, and this is money, \$2.5 million that we can collect, and we should be collecting it from these individuals.

Deputy Solicitor Arnold responded what I would suggest is Finance and I have been meeting to come up with a procedure. However, before we discuss it further, I would suggest that you recess to meet with counsel.

Alderman Smith stated I'd just like to get an answer from you, yes or no, sooner or later, like within a month.

Deputy Solicitor Arnold stated if you want to recess now to meet with us now, I can do that.

Alderman Smith stated all right. I make a motion to recess.

Chairman Shea asked for a second of the motion to recess for a discussion.

Alderman Guinta stated I will, pending the answer of my question. What's the purpose of a recess?

Deputy Solicitor Arnold stated it's recess to meet with counsel so that I can give you my views of the application of the law to this area.

Alderman Guinta asked we can't do that publicly?

Deputy Solicitor Arnold stated you can do it publicly if you wish. I would not suggest it.

Alderman Guinta duly seconded the motion to recess with counsel.

Chairman Shea stated we'll call a ten-minute recess, and the Committee was in recess.

Chairman Shea stated I'd like to call the meeting back in session, please. All right, we had a discussion in private, so now, we're back to the regular session. What are your thoughts on the matter?

Alderman Smith moved to receive and file the item. Alderman Thibault duly seconded the motion.

Alderman Lopez stated on page 15, here's another one that maybe the City Solicitor can look at, and that's all the permits that are behind, the people have a permit for parking. It's a parking permit. If you get a ticket out here, you have to pay it, at a meter, so just because you've got a permit, that's like parking at a meter, so those could be referred to the tax collector. When people register their cars, they got to go over and pay these.

Ms. Wickens stated is that the same thing, though. If they're parking in the garages as if they're parking...

Alderman Lopez stated if you have a ten-hour meter or a parking space at the parking lot, that's the same thing as parking at a meter. That's my interpretation. I mean that's legal counsel.

Ms. Wickens stated I'm not sure if that's the same thing.

Alderman Lopez stated a philosophy I have, if I go out here and get a ticket for parking at a meter, I go to register my car. They've flagged me and say you have a parking ticket. Go pay it. My contention is these people who have a permit to park at a parking lot falls in that same category. They should be referred to the tax collector for registration of automobiles so when they go register their vehicle, they have to pay the parking permit.

Deputy Solicitor Arnold responded I could take a look at the State law on that. I know that there is a specific statute that allows that in the manner of parking tickets. I would have to research whether these parking permits would fall within the definition of a parking ticket under the statute. I can certainly do that for you.

Alderman Lopez stated that's fair. Thank you.

Chairman Shea stated any other considerations. Sharon, do you want to add, subtract, multiply, or divide anything here?

Ms. Wickens responded I know that traffic has a lot of outstanding permits like you said. Denise was a little bit behind over there in getting some of the stuff to the collection agency. She is all caught up, and I sent 55 accounts out like two weeks ago to the collection agency, and when I send a slew like that, the collection agency starts really bringing in the money. So I'm expecting this to be cut down a lot in the next month or two.

Alderman Lopez stated okay, no problem, as long as we work it out.

Chairman Shea called for a vote, and the motion carried.

Chairman Shea addressed item 5 on the agenda:

**TABLED ITEM**

Communication from Kevin Buckley, Internal Audit Manager, submitting the Internal Audit Report relative to the Traffic Department (Canal Street and Victory Garages).

(Re-tabled 10/15/2002 pending further review of info by Mr. Buckley; information previously forwarded to Committee and Board.)

On motion of Alderman Thibault, duly seconded by Alderman Guinta, it was voted to remove the item from the table for discussion.

Alderman Thibault stated I don't have much problem with it other than what you have asked me, Mr. Chairman, to pull it off. I don't know what it is you're looking for here, but maybe Mr. Buckley can come up and give us some idea of where we're at on that.

Chairman Shea stated this is for your general information because of you're not being here, and he can...

Mr. Buckley stated at last meeting, on the Alderman's advice, I got in contact in Dave Waldecker at the garages and asked him about the outstanding item. I got an e-mail from him right here. He apologizes for taking so long, and he says that they would suggest splitting the difference, and so the total would be \$10,188 and asked me if I thought that that was acceptable. I e-mailed him back and said that the committee had given me permission to accept that at the last meeting, and that would be fine. That was about what we had talked about. The other item from last meeting that we had discussed was calling the President of...

Chairman Shea interjected the letter that you sent for people, whether or not they were receiving the checks that...

Mr. Buckley stated that's in the works. That's moving well. There was one other. Alderman Guinta asked me to call someone...well, President of Anthem, and I called him, and he got right back to me. He was very nice, very apologetic. Got someone else to call me up, and then they called down to health claims consulting, and they're working with them again, and hopefully that thing will be straightened out before the next meeting.

On motion of Alderman Thibault, duly seconded by Aldermen Guinta, it was voted to accept the report from Kevin Buckley.

Alderman Smith stated since we're running into a problem with our revenue situation, could we have the assessors come to our meetings.

Chairman Shea stated sure. The City Clerk will advise that we would like the assessors to come to the next meeting.

There being no further business to come before the committee, on motion of Alderman Thibault, duly seconded by Alderman Guinta, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee